



Homeowners Flood Insurance

Frequently Asked Questions

WHAT IS HOMEOWNER'S PRIVATE FLOOD INSURANCE?

RPS is pleased to be able to offer an alternative to the NFIP for homeowner flood coverage.

WHAT DOES IT COVER?

Unlike the NFIP, we offer three limit options and additional coverages as follows:

- Full value option, including loss of use and other structures with dwelling replacement cost values up to \$1.25 million (with cost per square foot of the dwelling no less than \$100), or
- NFIP limits for building only up to \$250,000, or
- Combined value option for \$250,000 building and \$100,000 contents
- Additional living expense
- Rental value
- Denial of access by civil authority
- Mold prevention costs
- Answers flood exclusion in standard HO3 wording to include storm surge and tsunami
- Coverage for outbuildings (not just a detached garage)
- Personal property covered worldwide

ISN'T THIS ALREADY COVERED UNDER MY HOMEOWNER'S POLICY?

Flood damage is not covered under a general homeowner's policy.

HOW DO YOU DEFINE ELEVATION?

An elevated building is one which is elevated or raised (i.e., stilts, walls, piers, posts or piles above the ground). This is not the height above the base flood elevation, as on the elevation certificate, but is the height the building is elevated.

HOW IS THIS POLICY BETTER THAN OTHER OPTIONS IN THE MARKETPLACE?

- We offer the choice of higher limits.
- This cover's definitions contain a wider scope.
- The policy provides a simpler definition of what constitutes a flood.
- Broader personal property coverage is available.
- During property restoration, alternative accommodation adds peace of mind.
- NFIP is limited to \$250,000 for buildings and \$100,000 for contents.
 - » Requires two acres and two properties to be recognized as a flood event.
- With very few choices available to homeowners, the tendency is to turn to the federal-government-backed NFIP for flood cover.
 - » Prior to Hurricanes Harvey, Irma, and Maria the NFIP was in debt over \$25 billion.

ARE HOMEOWNERS REQUIRED TO CARRY THIS COVERAGE?

- If the property is owned outright by the homeowner, they are not required to carry flood insurance.
 - » Exceptions to this would be if the home has a lien or line of credit or is part of a home equity loan.
- If the residence has a mortgage and is deemed within a flood zone, then the lender will most likely require the homeowner carry insurance.
 - » What new homeowners may not realize is that the cover is required for the building, not their contents. They should review their policy very carefully.

WHO NEEDS THIS COVERAGE?

- Any homeowner with a perceived flood exposure (with the exception of condominiums and mobile homes).
- Even areas not prone to floods can regularly experience unprecedented occurrences.
- Since flood zone maps change under normal climate conditions, residences in or in close proximity to a risk should consider this cover.
- Areas that have seen record rainfall, snowmelts, or exceptionally high water levels, whether occurring naturally or due to manmade events.
- Any residence located in a high-risk zone.

WHAT IS THE COST OF NOT BUYING THE COVERAGE?

- The flood cover is grossly insufficient and thus causes a tremendous monetary burden on the homeowner.
- If the president didn't declare the vicinity of the residence as a disaster area, SBA disaster assistance wouldn't be available.
 - » Even if the property is declared in a disaster zone, the cost of repaying a \$50,000 home loan through the SBA is 4% interest/\$240 per month/\$2,880 annually.¹
 - » Most homeowners would find repairs and replacement figures for the residence and its contents financially devastating.

WHAT IF THERE HAVE BEEN PREVIOUS FLOOD LOSSES?

We bind risks that have had previous losses. If this is the case, we request you provide the loss year and full amount going back five years. Should the risk have been elevated following a loss, the calculation may differ considerably compared to if it had not been.

IS THERE A REASON WHY MY RISK IS PRICED DIFFERENTLY TO THE NFIP?

No two risks are alike, and unlike the NFIP, which lumps all risks into the same category according to outdated maps, we take a more granular approach. For example, home #1 and home #2 are both in an X zone. Home #1 has a higher likelihood of experiencing a storm surge, as it's closer to the source, whereas home #2 is further inland and has a much lower possibility of being inundated by the same water. High-resolution ground elevation data is utilized to determine the risk as well.

IS THIS FORM ADMITTED OR NON-ADMITTED?

Non-admitted.

WHO IS THE INSURANCE CARRIER?

- Underwritten by Hiscox Syndicate 33 at Lloyd's, London.
- Hiscox Syndicate 33 has an A (Excellent) Syndicate rating from A.M. Best. It also benefits from Lloyd's own ratings, A (Excellent) from A.M. Best, A+ (Strong) from Standard & Poor's and AA- (Very strong) from Fitch.

WHOM DO I CONTACT FOR QUESTIONS RELATED TO THIS COVERAGE?

Please reach out to your RPS product expert or client relations manager, who will be happy to answer any questions you may have.

¹FEMA (www.fema.gov) Flood Insurance vs. Disaster Assistance

For full details and conditions, see the Flood Policy Form, a copy of which is available on the RPSSmallBusiness.com platform upon quotation.

Get a quote online at RPSSmallBusiness.com.